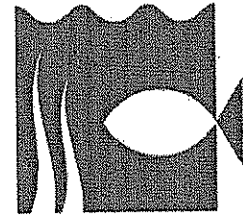


**Connecticut Fund  
for the Environment**



**Save the Sound®**  
A program of  
Connecticut Fund for the Environment

**Appropriations & Energy and Technology Committees  
Joint Public Hearing  
May 4, 2009**

Submitted by: Charles J. Rothenberger, Staff Attorney

*Regarding:*

**American Recovery and Reinvestment Act of 2009:  
Energy Efficiency and Conservation Block Grant Allocation Plan  
State Energy Program Formula Grants Application**

*Connecticut Fund for the Environment ("CFE") is a non-profit environmental organization with over 6,500 members statewide. For more than twenty-five years, CFE uses law, science and education to protect and preserve Connecticut's natural resources.*

**Energy Efficiency and Conservation Block Grant Allocation Plan**

Connecticut is in line to receive \$24,522,900 in Energy Efficiency and Conservation Block Grants. Nearly \$15 million of that will go directly to local towns and cities that have successfully filed applications by June 25, 2009, outlining the proposed use of those funds. As outlined in a letter circulated last week by the Connecticut Energy Efficiency Alliance, however, municipalities have been overwhelmed by the process. Unless a coordinated effort is made to assist municipalities with the application process, we fear that significant opportunities will be lost. Towns would also likely benefit from additional assistance regarding the application process for the additional \$ 9.5 million in block grants that will be managed and distributed by the state. Because the deadline for applying for the state-managed sub-grants is not until September 15, 2009, we would emphasize the prioritization of assisting towns in applying for the direct formula grants. It is likely, in any event, that many of the lessons learned through that process will be applicable to the state administered program as well.

**State Energy Program Formula Grants Application**

Connecticut Fund for the Environment continues to be concerned about Connecticut's commitment to maintain its current level of investment in the state's energy efficiency and clean energy programs and to secure federal stimulus money that would enhance these programs.

(testimony continues on reverse)

Pursuant to Section 410 of the American Recovery and Reinvestment Act of 2009 and guidance documents issued by the U.S. Department of Energy, in order to qualify for \$38,542,000 in State Energy Program grants, Connecticut must certify that it will:

- (1) Use the funds to expand energy efficiency and renewable energy programs in the state;
- (2) Adopt the latest model energy codes for residential and commercial buildings;
- (3) Achieve 90 percent enforcement compliance with the energy code within eight years.

Governor Rell submitted a certification letter on March 23, 2009, indicating that Connecticut will meet those obligations. We are concerned, however, about ongoing budget discussions regarding the transfer of monies from the Energy Efficiency and Renewable Energy funds into the General Fund to cover expected shortfalls in the current fiscal year. Reductions of the energy funds would jeopardize the receipt of federal SEP funding under the ARRA. Additionally, it would severely impact the success of these programs and curtail the growth of the green energy industry in Connecticut. Indeed, continuing uncertainty regarding the fate of these funds creates a highly unstable climate for business investment in energy efficiency and renewable energy in the state.

For the following reasons, CFE urges you vote to unambiguously commit to the full preservation of these funds:

- Cutting the energy efficiency and renewable energy funds is exactly the wrong approach in a financial crisis. We must continue to make wise policy decisions and investments if we are to build a better, sustainable place to live & work.
- Connecticut's energy funds are proven to save money for ratepayers, support business growth, and create jobs.
- The energy funds support at least 1,000 good jobs in Connecticut. If the programs lose funding, green businesses and these jobs may leave the state.
- The funds help pay for energy audits, solar panels, and efficiency measures for homes, businesses, municipalities.
- In 2008, the American Council for an Energy Efficient Economy ranked Connecticut's program the third-best in the nation. Connecticut is recognized as a leader in clean energy and efficiency, and we must continue to support these programs to maintain our competitive advantage.
- In the past decade, the efficiency fund served 45,000 households. Demand was so high – up 200% for residences and 300% for schools and businesses- in 2008 that the Renewable Energy program had to stop taking new applications.
- Improving efficiency is also the most cost-effective way to meet our greenhouse gas reduction mandates. The efficiency fund has saved 355 kilowatts in a year, which in terms of emissions is equivalent to preventing the burning of 164,000 lbs of coal, saving 101,000 acres of trees, or getting 48,865 cars off the road.
- This money is not state revenue: it comes from a surcharge on consumers' utility bills intended to support efficiency programs in the state.